
WORLD RICE SITUATION AND OUTLOOK

MONTHLY HIGHLIGHTS:

Thailand Intervention Stocks: From 2000 to 2002, the Ministry of Commerce purchased about 1.8 million tons of paddy under its intervention program. On December 2, the Government of Thailand tendered to sell approximately 800,000 tons of these old crop stocks. The results were scheduled to be announced on December 9. At this time, they have not been officially publicized.

Thai prices have been relatively stable over the past month (see PRICES below). The release of these old crop stocks may put downward pressure on low quality export price quotes.

PRICES:

International: The market has been quiet over the past month due to Ramadan, the Eid celebration, Vietnam's tight exportable supplies, and India's ban on the sale of government stocks for export. In Thailand, export price quotes for most qualities are up only \$2, despite that fact that Thailand is currently virtually the only supplier in Asia. Thai 100B is being quoted at \$201 per ton (FOB). Viet 5% is up \$1 since last month to \$196 per ton. Indian 5% export price quotes are flat month-to-month at \$197 per ton.

Domestic: U.S. rice export price quotes for long grain and medium grain moved in opposite directions this month. U.S. #2/4 long grain milled rice is down about \$6 and is currently quoted at \$351 per ton (FOB). Price quotes for U.S. #1/4 medium grain milled rice from California are up \$15 from last month at \$505 per ton (bulk, ex-spout Sacramento). This price increase is largely due to the start of Japan's TRQ tender season.

TRADE CHANGES IN 2004

Selected Exporters

- **Argentina** up 100,000 tons to 300,000 due to larger production.

Selected Importers

- **Brazil** down 100,000 tons to 600,000 tons as the common external tariff is expected to increase at the end of December. Additionally, domestic stocks are estimated to be ample given substantial CY2003 imports.
- **Iran** down 500,000 to 1.0 million as a result of a near 45-percent month-to-month increase in 2003/04 production.

TRADE CHANGES IN 2003

Selected Exporters

- **Argentina, Australia** down 25,000 tons to 125,000 and 150,000 respectively, based on export pace.
- **Burma** down 50,000 tons to 400,000 as exports plummet while exporters struggle to adjust to the newly privatized export market.
- **India** up 200,000 tons to 4.4 million supported by a continued strong export pace, particularly to Bangladesh and African destinations.
- **Uruguay** down 25,000 tons to 675,000, largely as a result of decreased exports to the Middle East. Exports to Brazil continue to be strong.
- **EU** down 100,000 tons to 375,000 based on export pace.

Selected Importers

- **Iraq** down 100,000 tons to 700,000 as a consequence of lagging delivery of old UN Oil-for-Food contracts, which are expected to be fulfilled by Spring 2004.
- **North Korea** up 25,000 tons to 625,000 due to large food aid donations from South Korea and imports from China. South Korea is expected to send the last tranche (approximately 25,000 tons) of its 2003 rice food aid donations to North Korea in December.
- **EU** up 75,000 tons to 975,000 based on a stronger-than-expected import pace through June.

Note: The rice consumption and stocks series for Vietnam are revised from 1997/98 to 2003/04 based in part on information received from the U.S. Agricultural Attaché in Hanoi and further analysis in Washington DC.

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